

# Montana We Mean Business

Quarterly Update

Once again the snow is falling and the holidays are quickly approaching. As 1996 winds to a close, we at the Secretary of State's office are busy completing business from the 1996 general election, preparing for the January 1997 mailing of annual reports, and getting ready for the 1997 Legislative session. As always, the office continues to file corporate

and UCC documents, print and distribute administrative rules and registers, store and archive state records, as well as maintain the day to day business necessary to keep the office running smoothly.

January is typically a very active time for the Secretary of State's office. This year is no exception--annual reports will be mailed out in January to all active domestic and foreign corporation and the biennial legislature will convene in Helena on January 6, 1997. In preparation for these events, December will be spent preparing our 1997 legislative package and readying the system and resources for the 1997 printing and distribution of annual reports.

This year during the 1997 Session, the Secretary of State's office will focus on clarifying legislation that will make it easier to do business in Montana, more clearly define areas of election law, and make minor adjustments to existing laws pertaining to the office. It is my hope to continue to remove unnecessary roadblocks and to make it easier to conduct business in our state as well as make the election process accessible and fair for every voting age citizen.

As always, we are open to your comments and suggestions. Your

input helps us make our office more efficient.

Please take a few minutes to read the articles in this update. If you have any questions about the office or the services we provide, please feel free to contact us.

## 1997 Legislative Session Important Phone Numbers

**Legislator Info. and Message Center:**  
(406) 444-4800

**TDD (Telephone Device for the Deaf)**  
1-800-832-0283

**Fax**  
1-900-252-1600\*

**On-Line Service to Track Bills**  
1-900-225-4300\*

**\*900 lines costs \$2.00 1st minute &  
\$1 each additional minute**

**State Bulletin Board (Computer Access  
only)**  
(406) 444-5648  
1-800-962-1729

## Annual Report Update

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by Karla Day  
Annual Report Supervisor

The 1996 annual report season is coming to a close and the 1997 season is just around the corner.

The 1996 Involuntary Revocation and Dissolution Intent Notices were mailed on September 1, totaling 3,842. There were 1,187 Foreign Intent Notices and 3,742 Domestic Intent Notices, which totaled 13% of Montana corporations that received an Involuntary Intent Notice. Of the 4,929 domestic corporations, 1,905 did not get an annual report to us by the December 1, deadline and have been involuntarily dissolved. By the foreign deadline of November 4, we did not receive 655 foreign corporations and these corporations have been involuntarily revoked.

The upcoming annual report season promises to be a new and exciting challenge for all of us involved at the Secretary of State's office. We will be trying several new methods in 1997 to give our customers quicker and more efficient service. One of our main goals will be to process checks within 24 hours. This will require additional resources to meet the demand of the high volume of reports and checks received daily by the Secretary of State's office. The new process should allow customers to better track their annual reports and checks, and know where in the process their report is.


The layout and content of the reports have been altered slightly in the hopes of making them easier to complete and understand. The statement of change box which was


implemented last year will remain at the top of the report, providing a simple way of changing the registered agent information without the necessity of completing another document. Look for other innovative features which should make the annual report process easier this year.


The 1997 annual reports are scheduled to be mailed to each corporation's registered agent the first week of January. If you do not receive your report by mid-January, please contact your registered agent. Once you have received the 1997 report, please complete it and return it with the correct fee to us at your earliest convenience. This will ensure that your corporation remains in good standing with our office.

### Common Causes of Annual Report Rejects

 Is the correct fee included?

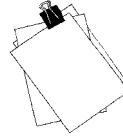
 Has an officer or board member signed the report?

 Are three officers listed for nonprofit corporations?

 If registered agent name or address is changed:

- ✓ is the physical address included; and/or
- ✓ does the agent reside in Montana?

## Changes made to Farm Bill Process



by LesLee Shell-Beckert  
Deputy Assistant

Farm Bill subscribers may have noticed that the last few Farm Bill mailings have been slightly different than those in the past. The Secretary of State's office has chosen to mail full lists to all subscribers, rather than partial lists to some and full lists to others.

This change helps both our customers and our office. By mailing a full list to every subscriber it is easier (the mailing no longer has to be manually sorted), faster (because the lists do not need to be sorted the mailing makes it to the Post Office in a more timely manner), and cheaper (the report is not specialized and costs less to run on our end).

The most important aspect of this change is that the customer receives more information--every registered Farm Bill buyer is now receiving on microfiche the full index listing. The full index provides a listing of all debtor names reflected in each frame in alphabetical order on the bottom right hand side of the microfiche. This full listing does not cost any more than it did before.

For more information about the Farm Bill process our to inquire about subscription, please contact our Business Services Customer Service Representatives at (406) 444-3665.





## Questions of the Quarter

by Rose Ann Crawford  
Deputy for Business Services

### ◆ *What is the deadline for filing corporation annual reports?*

Corporation Annual Reports are mailed to each corporation's registered agent the first week in January of each year. The filing deadline for filing the report for the \$10.00 filing fee is April 15. The fee to file an annual report after the April 15 deadline is \$20.00 until September 1.

On September 1, all corporations which have not filed an annual report are sent a notice of intent of involuntary dissolution and another preprinted annual report form if it is a Montana corporation or an intent of revocation and an annual report for an out of state corporation.

Out of state corporations then have 60 days to file their report for a \$30.00 filing fee. If the report is not received before November 1, the corporation's certificate of authority is revoked and it must refile its application for certificate of authority.

Montana corporations have 90 days in which to file their annual report for a \$30.00 filing fee. If the report is not received by December 1, the corporation is involuntarily dissolved. Once involuntarily dissolved, Montana corporations have five years in which to reinstate for half of the original filing fee and

all annual report fees.

Corporations are not required to file an annual report the year in which they are incorporated.

### ◆ *Does the Secretary of State bill for services?*

State statutes require all fees be paid in advance of any services performed by the Secretary of State's office. The office can provide a list of fees upon request.

Customers may participate in our office pre-paid accounting system. An application must be completed and an initial deposit sufficient to cover your expected month's business with us is also required. If you wish to participate in our pre-paid account system, please contact our Business Services Customer Representatives at (406) 444-3665, and they can send you the necessary forms.

### ◆ *Does the Secretary of State have forms for forming a nonprofit corporation?*

The Secretary of State does have forms available for the formation of a nonprofit corporation; however, the Internal Revenue Service has specific language required for tax exempt status.

It is also suggested that you refer to Title 35, Chapter 2, Montana Code Annotated for requirements of nonprofit corporations.

## Guidelines for Filing LLCs

by LesLee Shell-Beckert  
Deputy Assistant

A Limited Liability Company (LLC) provides the benefits of protection from personal liability of corporation and favorable tax treatment of partnerships. LLCs are low maintenance organizations. They are not required to hold annual meetings, but must file annual reports. Each member of an LLC enjoys liability limited to that of their investment. An LLC:

- ☞ May have all of the members manage the business equally (similar to a partnership) or may separate managers who may or may not be members and limit other members management role.
- ☞ Allows limited liability for owners.
- ☞ Permits unlimited duration. However, some consideration to duration is required for tax standing.
- ☞ Restricts transfers of interests without approval of membership (Unless organized otherwise).
- ☞ Allows a right to continue by approval of

(continued on next page)  
remaining members  
when a member  
withdraws.



- ☞ Permits corporations as members.
- ☞ Permits members from foreign countries.
- ☞ Provides flexibility in contribution and distribution of assets.

### When completing the Domestic LLC form, remember that:

- ☞ the name must include "limited liability company," "limited company," or an abbreviation of these;
- ☞ the registered agent MUST reside in Montana;
- ☞ the latest date on which the LLC is to dissolve must be provided;
- ☞ whether the LLC will be managed by managers or members;
- ☞ the names and street addresses of the managers or members; and
- ☞ a principal place of business must be set forth.

To request a form or for answers to specific questions regarding the formation of LLCs, please contact our Business Services Customer Representatives at (406) 444-3665.

## What's New on our Web Page?

by Erin Kuntzweiler  
Office Coordinator

It's an exciting time for us here at the Secretary of State's office, particularly with the new material coming out on our web page. Currently, our home page can provide you with information about our office, a description of each agency, and pertinent contacts.

The majority of information available now is from the Elections Bureau. This information contains; frequently asked questions about the 1996 gubernatorial election, voter registration and election information, as well as types of ballot issues and key steps in the initiative procedure. The home page also provides a listing of state candidates addresses and phone numbers.

We are now in the process of updating our home page to incorporate additional information from each of our other bureaus. For instance, the Business Service bureau will include a schedule of fees, as well as in-depth information on the formation process, business structures, directory of agencies and offices, and answers to frequently asked questions.

Other bureaus such as the Administrative Rules and Records Management will have a complete description of their duties and pertinent contacts for each office.

We look forward to better serving you in the future through the use of this web page. If there is something you would like to see on our home page that we don't

currently offer, please let us know.

You can find our home page at:

**[www.mt.gov/sos/soshp.htm](http://www.mt.gov/sos/soshp.htm)**

**Emp  
Spotl  
Steve  
Chief Legal Counsel**



**loyee  
ight:  
Bullock,**

by LesLee Shell-Beckert  
Deputy Assistant

Steve Bullock was recently hired as the Chief Legal Counsel for the Secretary of State's office. Mr. Bullock comes to us from private practice in New York City, New York, but is a native Montanan.

A graduate of Columbia Law School, Steve promises to bring much to the office. As Chief Legal Counsel, he will handle many different areas of law including election law and business law. Steve will also be involved with the office's legislative work and administrative rule review. Steve will defend the Secretary of State's office in any legal matter and answer different legal questions that arise in the office.

Steve is happy to be back in his home state and to hold a job in the public service arena. As Steve explains, "I am excited about working in state government and having a chance to serve Montanans. I think it will be a great opportunity for me."



Do you need to get in touch with the Secretary of State?

**Important Numbers:**

Secretary of State General Line	406.444.2034
Business Services Customer Service Line	406.444.3665
Elections Bureau	406.444.4732
*Voter Hotline ( <b>for voting information only</b> )	1.888.884.VOTE (8683)
Administrative Rules Bureau	406.444.2055
Records Management Bureau	406.444.9000

**Fax Numbers:**

Business Services	406.444.3976
Elections	406.444.3976
Administrative Rules	406.444.5833
Records Management	406.444.9002

**Do you want to be removed from our mailing list?**

**If so, please contact Erin Kuntzweiler at:**

**Phone:** (406) 444-2034  
**Fax:** (406) 444-3976  
**E-mail:** [ekuntzweiler@mt.gov](mailto:ekuntzweiler@mt.gov)  
**Mail:** c/o Montana Secretary of State  
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